

Page 1 of 2

HSBC MORTGAGE SERVICES - CLOSING INSTRUCTIONS/SHORT SALE
AGREEMENT (DEFICIENCY LIABILITY)

RE: CUSTOMER: [REDACTED]

000-00-0000

PROPERTY ADDRESS: [REDACTED]

ALEXANDRIA

VA

22304-3574

ACCOUNT #: [REDACTED]

To Whom It May Concern:

This letter provides you with the closing instructions for the short sale and the Short Sale Agreement executed by HSBC (and to be executed by the Customer).

Closing Instructions:

1. Have the Customer read and sign the Short Sale Agreement below.
2. Obtain the Customer's check (in CERTIFIED FUNDS only).
3. Wire the funds and mail all original supporting documents referencing the customers account number to:

HSBC Mortgage Services Inc.
[REDACTED]

Attention: [REDACTED]

4. If you have any questions, please contact:
[REDACTED], ext. [REDACTED]

SHORT SALE AGREEMENT

HSBC Mortgage Services Inc. ("HSBC") and
[REDACTED]

agree to settle the above listed account for \$151,347.00 plus any surplus proceeds over the agreed upon sales price and not exceeding the remaining outstanding loan balance (the "Short Sale Amount"). The Short Sale Amount is due at the close of escrow. This offer is contingent upon a sales price of the Property of \$165,000.00 (the "sales price").

Customer agrees that the payment of the Short Sale Amount must be in the form of CERTIFIED FUNDS ONLY and will be accompanied by a copy of the final net settlement worksheet prepared by the Closing Agent, and a copy of this Agreement, including a fully executed copy of Exhibit A, the Promissory Note Modification. Any surplus funds from the close of the escrow shall be paid directly to HSBC. The realtor's commission shall not exceed 5.00 percent (%).

Customer Initials _____

Customer Initials _____

Customer agrees that upon the receipt and posting of the agreed upon Short Sale Amount, the remaining balance, if any, will be charged-off and listed as "charged off" on the Customer's credit bureau. HSBC agrees to release its lien against the property, referenced above, upon the completion of all terms under this Agreement.

Customer agrees that HSBC is not releasing the Customer's obligation to pay any deficiency balance, if any, that remains on this loan after the Customer pays the Short Sale Amount to HSBC. The Customer agrees to remain liable for any deficiency balance. The Customer acknowledges that the deficiency balance will be repaid according to their current Promissory Note and the terms and conditions listed in the Promissory Note Modification, attached hereto and incorporated into this Agreement as Exhibit A.

Customer agrees that this Agreement MUST accompany the Short Sale Amount check and net settlement worksheet. Failure to abide by these terms and conditions will delay the lien release and void this offer.

This Agreement expires on: 12/12/08 (the "Offer Period").

Special notes/conditions:
In the event the Property should go through foreclosure sale prior to the end of the Offer Period, this agreement will become null and void. There may be a tax liability associated with this transaction, please consult your tax advisor for more information.

I acknowledge by my signature below that I have read, understand and agree to the terms of this letter.

Date _____

Date _____

On this _____ day of _____ in the year 20____ the above signed person(s) _____

personally known/provided personal identification of _____, being duly sworn, did execute this foregoing affidavit and did so as his/her free act and deed. In witness whereof, I hereunto set my hand and official seal.

Notary Public Signature and Seal

Date 11/15/08_____

Thank you for your assistance in this matter.